

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

**Lansing Board of Water and Light
Employees' Defined Contribution
Pension Plan**

**Financial Report
with Supplemental Information
June 30, 2007**

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

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Independent Auditor's Report

Honorable Mayor, Members of City Council,
and Commissioners of the
Board of Water and Light
City of Lansing, Michigan

We have audited the accompanying statement of plan assets of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") as of June 30, 2007 and 2006 and the related statement of changes in plan assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan assets of the Plan at June 30, 2007 and 2006 and the changes in plan assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of changes in plan assets by fund (supplemental information) is presented for the purpose of additional analysis of the basic financial statements rather than to present information regarding the plan assets and changes in plan assets of the individual funds. The statement of changes in plan assets by fund is not a required part of the basic financial statements. The statement of changes in plan assets by fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, requires a management's discussion and analysis be presented along with the financial statements. This information has not been presented.

Plante & Moran, PLLC

September 7, 2007

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Plan Assets

	June 30	
	2007	2006
Assets		
Participant-directed investments (Note 3):		
Mutual funds:		
Stable Value Fund - Stable Value 30	\$ 25,885,420	\$ 25,382,035
Income Funds:		
Dryden High Yield Z	2,585,931	2,075,459
PIMCO Total Return Bond Admin	3,401,765	3,301,921
Dryden Global Total Return Z	-	416,900
Balanced funds - American Balanced A	5,538,317	4,614,409
Growth and income funds:		
Jennison Utility Z	2,865,522	2,088,011
Jennison Value Z	2,056,266	1,625,913
Mutual Qualified Income A	6,196,604	4,876,874
Dryden Stock Index I	8,859,877	7,865,547
Jennison Equity Opportunity Z	-	1,882,515
Strategic Partners Conservative Growth Z	577,288	627,041
Growth funds:		
Mutual Discovery A	8,158,180	6,280,063
Jennison U.S. Emerging Growth Z	2,430,937	609,533
Strategic Partners Moderate Growth Z	4,428,919	4,319,713
Strategic Partners High Growth Z	1,249,960	909,848
Jennison Small Company Z	2,335,647	2,394,707
Jennison Blend Z	4,891,630	4,410,610
Scudder-Dreman High Return Equity A	13,417,337	12,340,960
Franklin Small-Mid Cap Growth A	9,732,142	9,249,261
Jennison Growth Z	4,183,899	4,099,404
Dreyfus Small Cap Stock Index	1,028,835	943,642
ALLIANZ NFJ Small Cap Value A	3,053,014	2,398,497
International funds:		
Strategic Partners International Value Z	1,346,873	718,414
Templeton Growth A	12,507,571	10,001,076
MFS Global Total Return A	1,449,433	527,886
Specialty funds:		
Eaton Vance Worldwide Sciences A	1,471,542	1,503,920
Scudder Technology A	2,070,847	2,049,377
Janus Global Technology	602,694	394,910
Total mutual funds	132,326,450	117,908,446
Self-directed brokerage account	838,601	724,695
Participant loans	2,998,049	3,104,069
Assets Held in Trust for Pension Benefits	\$ 136,163,100	\$ 121,737,210

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets

	Year Ended June 30	
	2007	2006
Increases		
Investment income:		
Net appreciation in fair value of investments	\$ 17,618,836	\$ 8,957,704
Interest income	199,887	185,978
Dividend income	1,541,874	1,289,632
Total investment income	19,360,597	10,433,314
Employer contributions (Note 1)	5,028,681	4,983,456
Participant rollover contributions	26,599	633,686
Total increases, net of realized and unrealized gains and losses	24,415,877	16,050,456
Decreases		
Benefits paid to participants	9,772,635	7,372,593
Loan defaults	91,132	330,251
Participants' loan fees	13,615	14,161
Other	112,605	180,712
Total decreases	9,989,986	7,897,717
Net Increases	14,425,890	8,152,739
Assets Held in Trust for Pension Benefits		
Beginning of year	121,737,210	113,584,471
End of year	<u>\$ 136,163,100</u>	<u>\$ 121,737,210</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2007 and 2006**

Note 1 - Description of the Plan

The following description of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan was established by the Lansing Board of Water and Light (the BWL) in 1997 under Section 5-203 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Plan for Employees' Pensions of the Board of Water and Light - City of Lansing, Michigan - Defined Benefit Plan) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established defined contribution plan (Lansing Board of Water and Light Employees' Defined Contribution Plan). Those participants who elected to move to the defined contribution plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the new defined contribution plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the plan participants' accumulated benefits as of said date.

The plan administrator controls and manages the operation and administration of the Plan and has contracted with Prudential Investments Retirement Services to perform certain administrative services.

Contributions - For employees hired before January 1, 1997, the BWL is required to contribute 15 percent of the employees' compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 8.1 percent of the employees' compensation. In addition, the BWL is required to contribute an additional 3.0 percent of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5 percent of the employees' compensation for all non-bargaining employees. The Board of Commissioners of the Board of Water and Light - City of Lansing may amend the Plan's provisions and contribution requirements.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2007 and 2006

Note 1 - Description of the Plan (Continued)

Participant Accounts - Each participant's account is credited with the participant's rollover contributions and withdrawals, as applicable, and allocations of BWL contributions and plan earnings. Allocations are based on participant's earnings or account balances, as defined in the plan document. Forfeited balances of terminated participants' nonvested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

As of June 30, 2007, there were 801 participants in the Plan, of which 691 were active employees. As of June 30, 2006, there were 799 participants in the Plan, of which 684 were active employees.

Vesting - Participants vest in the BWL contribution and related earnings at the rate of 20 percent per year after completion of three years of service. Participants become fully vested after seven years of service.

Investment Options - Participants may direct contributions in any of the following investment options, which are administered by Prudential Investments Retirement Services. Since Prudential Investments Retirement Services is the custodian as defined by the Plan, transactions in the Prudential funds qualify as transactions with parties-in-interest.

Stable Value - Seeks safety of principal, adequate liquidity, and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly-rated financial institutions and corporations as well as obligations of the U.S. Government or its agencies. This type of investment option consists of the following fund:

- Stable Value 30

Income - Seeks to maximize current income, with capital appreciation as a secondary consideration, by investing primarily in debt securities issued by the U.S. government or its agencies and domestic and foreign corporations. This type of investment option consists of the following funds:

- Dryden High-Yield Z
- PIMCO Total Return Bond Admin.
- Dryden Global Total Return Z

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2007 and 2006**

Note 1 - Description of the Plan (Continued)

Balanced - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments. This type of investment option consists of the following funds:

- American Balanced A

Growth and Income - Seeks capital appreciation and current income by investing primarily in common and preferred stocks of corporations typically selected for both appreciation potential and dividend-paying ability. This type of investment option consists of the following funds:

- Jennison Utility Z
- Jennison Value Z
- Mutual Qualified Income A
- Dryden Stock Index I
- Jennison Equity Opportunity Z
- Strategic Partners Conservative Growth Z

Growth - Seeks long-term capital appreciation by investing primarily in equity securities of companies with above average growth prospects. Current income is a secondary concern. This type of investment option consists of the following funds:

- Mutual Discovery A
- Jennison U.S. Emerging Growth Z
- Strategic Partners Moderate Growth Z
- Strategic Partners High Growth Z
- Jennison Small Company Z
- Jennison Blend Z
- Scudder-Dreman High Return Equity A
- Franklin Small-Mid Cap Growth A
- Jennison Growth Z
- Dreyfus Small Cap Stock Index
- ALLIANZ NFJ Small Cap Value A

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2007 and 2006

Note 1 - Description of the Plan (Continued)

International - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S. This type of investment option consists of the following funds:

- Strategic Partners International Value Z
- Templeton Growth A
- MFS Global Total Return A

Specialty - Seeks capital appreciation by concentrating its investments in securities of companies within specific industries or sectors. This type of investment option consists of the following funds:

- Eaton Vance Worldwide Sciences A
- Scudder Technology A
- Janus Global Technology

Self-directed Brokerage Account - Participants with a minimum account balance of \$50,000 may transfer from their fund accounts a minimum of \$10,000 up to a maximum of 50 percent of their account balance to a self-directed brokerage account. Eligible investments are equity securities traded on U.S. exchanges valued at greater than \$5 and over 400 mutual funds from 18 investment management companies. Participants pay a \$100 annual account fee plus applicable commissions.

Loans to Participants - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50 percent of their account balance. Loan transactions are treated as a transfer between the investment fund and the loan fund. Loan terms range from one to five years or up to 20 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits - Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or choose from a variety of periodic payment options.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared using the accrual method of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition - The investments are stated at market value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or for listed securities having no sales reported and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Valuation of Loans to Participants - The loans to participants are valued at cost plus accrued interest which approximates fair value.

Expenses - The Plan's expenses are paid by BWL as provided by the plan document.

Regulatory Status - The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2007 and 2006

Note 3 - Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with statutory authority.

Risks at June 30, 2007

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 132,326,450	Not rated	Not rated

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2007 and 2006

Note 3 - Investments (Continued)

Risks at June 30, 2006

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 117,908,446	Not rated	Not rated

Note 4 - Plan Termination

Although it has not expressed any intention to do so, the BWL has the right under the Plan to terminate the Plan subject to the provisions set forth in Article 12 of the Plan. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

Note 5 - Tax Status

The Plan obtained its determination letter dated March 14, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has since been amended. Management believes the Plan continues to operate as a qualified plan. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Supplemental Information

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund

	Money Market		Stable Value Fund	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ -	\$ -	\$ 1,154,579	\$ 996,013
Interest income	-	2,267	42,715	38,317
Dividend income	-	17,583	(60)	102
Employer contributions	-	22,476	763,615	771,162
Participant rollover contributions	-	-	5,017	477,437
Loan repayments	-	11,928	210,933	240,331
Other	-	(11)	(6,578)	(1,361)
Total increases, net of realized and unrealized gains and losses	-	54,243	2,170,221	2,522,001
Decreases				
Benefits paid to participants	-	80,321	3,395,988	3,024,475
Loans to participants	-	640	204,539	237,932
Loan defaults	-	-	-	-
Participants' loan fees	-	70	6,129	6,667
Total decreases	-	81,031	3,606,656	3,269,074
Net Increases (Decreases) Prior to Interfund Transfers	-	(26,788)	(1,436,435)	(747,073)
Interfund Transfers	-	(1,119,931)	1,939,820	4,792,988
Net Increases (Decreases)	-	(1,146,719)	503,385	4,045,915
Assets Held in Trust for Pension Benefits				
Beginning of year	-	1,146,719	25,382,035	21,336,120
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,885,420</u>	<u>\$ 25,382,035</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Income Funds		Balanced Funds	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 77,095	\$ (260,005)	\$ 608,451	\$ 245,728
Interest income	7,854	8,532	6,240	7,483
Dividend income	345,385	334,282	131,830	127,202
Employer contributions	253,324	258,709	211,389	278,275
Participant rollover contributions	1,152	387	-	46,556
Loan repayments	42,957	40,015	37,639	48,687
Other	(252)	(340)	(38)	(56)
Total increases, net of realized and unrealized gains and losses	727,515	381,580	995,511	753,875
Decreases				
Benefits paid to participants	314,848	424,086	259,801	345,653
Loans to participants	48,830	57,257	18,282	56,359
Loan defaults	-	-	-	-
Participants' loan fees	1,262	1,954	713	923
Total decreases	364,940	483,297	278,796	402,935
Net Increases (Decreases) Prior to Interfund Transfers	362,575	(101,717)	716,715	350,940
Interfund Transfers	(169,159)	(1,565,320)	207,193	(3,692,163)
Net Increases (Decreases)	193,416	(1,667,037)	923,908	(3,341,223)
Assets Held in Trust for Pension Benefits				
Beginning of year	5,794,280	7,461,317	4,614,409	7,955,632
End of year	<u>\$ 5,987,696</u>	<u>\$ 5,794,280</u>	<u>\$ 5,538,317</u>	<u>\$ 4,614,409</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Growth and Income Funds		Growth Funds	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 3,701,516	\$ 2,275,198	\$ 8,817,683	\$ 4,144,858
Interest income	23,921	27,494	90,199	77,986
Dividend income	330,499	320,267	508,834	322,313
Employer contributions	670,881	816,884	2,425,931	2,157,464
Participant rollover contributions	-	-	16,898	108,148
Loan repayments	135,407	167,963	558,806	431,564
Other	(1,579)	(2,834)	216	1,648
Total increases, net of realized and unrealized gains and losses	4,860,645	3,604,972	12,418,567	7,243,981
Decreases				
Benefits paid to participants	1,442,517	1,106,170	3,381,257	1,648,948
Loans to participants	140,433	214,409	636,371	608,204
Loan defaults	-	-	-	-
Participants' loan fees	2,365	2,463	3,008	2,038
Total decreases	1,585,315	1,323,042	4,020,636	2,259,190
Net Increases (Decreases) Prior to Interfund Transfers	3,275,330	2,281,930	8,397,931	4,984,791
Interfund Transfers	(1,685,674)	(5,430,100)	(1,443,669)	7,423,121
Net Increases (Decreases)	1,589,656	(3,148,170)	6,954,262	12,407,912
Assets Held in Trust for Pension Benefits				
Beginning of year	18,965,901	22,114,071	47,956,238	35,548,326
End of year	<u>\$ 20,555,557</u>	<u>\$ 18,965,901</u>	<u>\$ 54,910,500</u>	<u>\$ 47,956,238</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	International Funds		Specialty Funds	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 2,460,296	\$ 1,386,315	\$ 711,451	\$ 204,839
Interest income	15,868	13,393	13,090	10,506
Dividend income	225,386	167,659	-	224
Employer contributions	492,889	430,255	210,652	248,231
Participant rollover contributions	3,131	1,158	401	-
Loan repayments	88,436	87,071	54,294	69,397
Other	(278)	(151)	(508)	(112)
Total increases, net of realized and unrealized gains and losses	3,285,728	2,085,700	989,380	533,085
Decreases				
Benefits paid to participants	702,753	492,605	275,471	234,006
Loans to participants	110,746	94,088	57,971	83,632
Loan defaults	-	-	-	-
Participants' loan fees	138	25	-	21
Total decreases	813,637	586,718	333,442	317,659
Net Increases (Decreases) Prior to Interfund Transfers	2,472,091	1,498,982	655,938	215,426
Interfund Transfers	1,584,410	111,245	(459,062)	(665,156)
Net Increases (Decreases)	4,056,501	1,610,227	196,876	(449,730)
Assets Held in Trust for Pension Benefits				
Beginning of year	11,247,376	9,637,149	3,948,207	4,397,937
End of year	<u>\$ 15,303,877</u>	<u>\$ 11,247,376</u>	<u>\$ 4,145,083</u>	<u>\$ 3,948,207</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Total Mutual Funds		Brokerage Account	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 17,531,071	\$ 8,992,946	\$ 87,765	\$ (35,242)
Interest income	199,887	185,978	-	-
Dividend income	1,541,874	1,289,632	-	-
Employer contributions	5,028,681	4,983,456	-	-
Participant rollover contributions	26,599	633,686	-	-
Loan repayments	1,128,472	1,096,956	-	-
Other	(9,017)	(3,217)	-	-
Total increases, net of realized and unrealized gains and losses	25,447,567	17,179,437	87,765	(35,242)
Decreases				
Benefits paid to participants	9,772,635	7,356,264	-	16,329
Loans to participants	1,217,172	1,352,521	-	-
Loan defaults	-	-	-	-
Participants' loan fees	13,615	14,161	-	-
Total decreases	11,003,422	8,722,946	-	16,329
Net Increases (Decreases) Prior to Interfund Transfers	14,444,145	8,456,491	87,765	(51,571)
Interfund Transfers	(26,141)	(145,316)	26,141	145,316
Net Increases (Decreases)	14,418,004	8,311,175	113,906	93,745
Assets Held in Trust for Pension Benefits				
Beginning of year	117,908,446	109,597,271	724,695	630,950
End of year	<u>\$ 132,326,450</u>	<u>\$ 117,908,446</u>	<u>\$ 838,601</u>	<u>\$ 724,695</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Participant Loans		Total Investments	
	Year Ended June 30		Year Ended June 30	
	2007	2006	2007	2006
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ -	\$ -	\$ 17,618,836	\$ 8,957,704
Interest income	-	-	199,887	185,978
Dividend income	-	-	1,541,874	1,289,632
Employer contributions	-	-	5,028,681	4,983,456
Participant rollover contributions	-	-	26,599	633,686
Loan repayments	(1,128,472)	(1,096,956)	-	-
Other	(5,617)	(177,495)	(14,634)	(180,712)
Total increases, net of realized and unrealized gains and losses	(1,134,089)	(1,274,451)	24,401,243	15,869,744
Decreases				
Benefits paid to participants	-	-	9,772,635	7,372,593
Loans to participants	(1,119,201)	(1,352,521)	97,971	-
Loan defaults	91,132	330,251	91,132	330,251
Participants' loan fees	-	-	13,615	14,161
Total decreases	(1,028,069)	(1,022,270)	9,975,353	7,717,005
Net Increases (Decreases) Prior to Interfund Transfers	(106,020)	(252,181)	14,425,890	8,152,739
Interfund Transfers	-	-	-	-
Net Increases (Decreases)	(106,020)	(252,181)	14,425,890	8,152,739
Assets Held in Trust for Pension Benefits				
Beginning of year	3,104,069	3,356,250	121,737,210	113,584,471
End of year	<u>\$ 2,998,049</u>	<u>\$ 3,104,069</u>	<u>\$ 136,163,100</u>	<u>\$ 121,737,210</u>